

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 515 - HB 734

March 8, 2013

SUMMARY OF BILL: Requires all persons who construct, install, maintain, and test elevators to be licensed. Requires the Commissioner of Labor and Workforce Development (DLWD) to impose a safety fee on elevator inspections and installations. Requires licenses to be renewed biennially and the fee for issuance or renewal be set by the Commissioner. Sets an effective date of July 1, 2013, for purposes of promulgating rules and regulations. Sets an effective date of July 1, 2014, for all other purposes.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$62,900/FY14-15 and Subsequent Years

**Increase State Expenditures – \$39,500/FY13-14
\$108,100/FY14-15 and Subsequent Years**


Assumptions:

- DLWD estimates 200 applicants for mechanic licensing biennially at a fee of \$200. A recurring increase in state revenue of \$20,000 [(200 applicants x \$200 fee) / 2 years].
- DLWD estimates 15 applicants for contractor licensing biennially at a fee of \$600. A recurring increase in state revenue of \$4,500 [(15 applicants x \$600 fee) / 2 years].
- A recurring increase in state revenue of \$8,000 from testing fees for operation (an estimated \$400 testing fee x 20 applicants).
- State university elevator maintenance worker certification will be \$350 per year. Approximately 50 workers will be certified. A recurring increase in state revenue of \$17,500 (\$350 fee x 50 workers).
- DLWD estimates penalty revenue of \$12,900 per year for unlicensed workers.
- An effective date of July 1, 2014.
- A total recurring increase in state revenue of \$62,900 (\$20,000 + \$4,500 + \$8,000 + \$17,500 + \$12,900) beginning in FY14-15.
- DLWD will require an Elevator Inspector. A recurring increase in state expenditures of \$62,107 (\$36,084 salary + \$11,423 benefits + \$12,000 vehicle expenses + \$2,600 supplies).
- DLWD will require one Administrative Assistant position. A recurring increase in state expenditures of \$46,018 (\$34,268 salary + \$11,150 benefits + \$600 operational/supplies).
- One-time expenditures associated with this position will be approximately \$1,500.

- According to DLWD, computer programming will be required to bring the amusement device program up to date with the new requirements. A one-time increase in state expenditures of \$38,000.
- The total one-time increase in state expenditures is estimated to be \$39,500 (\$38,000 + \$1,500). These expenditures are assumed to occur in FY13-14.
- The total recurring increase in state expenditures is estimated to be \$108,125 (\$62,107 + \$46,018) beginning in FY14-15.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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